

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In Re: THE LOVESAC CORPORATION, et al., Debtors.)))))	Chapter 11 Case No. 06-10080 (CSS) (Jointly Administered)
---	-----------------------	--

APPELLANT'S DESIGNATION OF RECORD AND ISSUES ON APPEAL

Appellant, SAC Acquisition LLC, pursuant to Bankruptcy Rule 7006, designates the following items to be included in the record on appeal from the Order (1) Granting Fees and Expenses Requested in Final Fee Applications, and (2) Granting In Part and Denying In Part Response of SAC Acquisition to Requests for Payment of Professional Fees and Expenses [Docket No. 739] entered by this Bankruptcy Court on November 29, 2006 in these Chapter 11 proceedings:

	Document
1.	Application for an Order Under 11 U.S.C. §§ 327(a), 328, and 329 Authorizing the Retention and Employment of Squire, Sanders & Dempsey L.L.P. as Attorneys for the Debtors, filed January 30, 2006 [Docket No. 4]
2.	Application of Debtors to Employ and Retain The Bayard Firm as Co-Counsel for the Debtors, Nunc Pro Tunc to January 30, 2006, filed January 30, 2006 [Docket No. 5]
3.	Motion of Debtors Under Bankruptcy Code §§ 105 and 363(b) for Order Authorizing the Continued Retention and Employment of Getzler Henrich & Associates LLC as Restructuring Consultant to the Debtors, filed January 30, 2006 [Docket No. 6]
4.	Motion of Debtors for an Administrative Order Pursuant to 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals, filed January 30, 2006 [Docket No. 9]

	Document
5.	Application to Approve the Retention of Klehr, Harrison, Harvey, Branzburg & Ellers, LLP as Counsel to the Official Committee of Unsecured Creditors, filed February 16, 2006 [Docket No. 112]
6.	Application for an Order Pursuant to §§ 1103(a) and 328(a) of the Bankruptcy Code Authorizing and Approving the Employment and Retention of Executive Sounding Board Associates, Inc. as Financial Advisors to the Official Committee of Unsecured Creditors Nunc Pro Tunc to February 9, 2006, filed February 24, 2006 [Docket No. 144]
7.	Order Authorizing Debtors Pursuant [SIC] to Retain The Bayard Firm as Co-Counsel, filed February 27, 2006 [Docket No. 148]
8.	Order Pursuant to 11 U.S.C. §§ 327(A) and 328 Authorizing the Continued Retention and Employment of Getzler Henrich & Associates LLC as Financial Advisor to the Debtors, filed March 10, 2006 [Docket No. 196]
9.	Order Approving the Retention of Klehr, Harrison, Harvey, Branzburg & Ellers LLP as Counsel to the Official Committee of Unsecured Creditors in the Debtors' Cases, filed March 20, 2006 [Docket No. 216]
10.	Order (REVISED BY COURT) Pursuant to Sections 1103(a) and 328(a) of The Bankruptcy Code Authorizing and Approving the Employment and Retention of Executive Sounding Board Associates, Inc. as Financial Advisors to the Official Committee of Unsecured Creditors Nunc Pro Tunc to February 9, 2006, filed March 20, 2006 [Docket No. 217]
11.	Order Under 11 U.S.C. §§ 327(a), 328 and 329 Authorizing the Retention and Employment of Squire, Sanders & Dempsey L.L.P. as Attorneys for the Debtors, filed March 28, 2006 [Docket No. 249]
12.	Motion of Debtors Under 11 U.S.C. §§ 327(a) and 328 of the Bankruptcy Code for Order Authorizing the Retention and Employment of Capitalink L.C. to Provide Investment Banking Services to the Debtors, filed April 7, 2006 [Docket No. 303]
13.	Order Authorizing the Retention and Employment of Capitalink L.C. to Provide Investment Banking Services to the Debtors, filed April 21, 2006 [Docket No. 349]
14.	Motion of Debtors for an Order (I) Authorizing the Debtors (A) to Obtain Post-Petition Financing, Pursuant to 11 U.S.C. §§ 105, 361, 362, 364(c) and 364(e) and (II) Scheduling Final Hearing Pursuant to Bankruptcy Rules 4001(b) and (c), filed June 9, 2006 [Docket No. 490]

	Document
15.	Notice of Filing Debtor-in-Possession Budget, filed June 13, 2006 [Docket No. 495]
16.	Notice of Filing Post-Petition Loan and Security Agreement, filed June 23, 2006 [Docket No. 537]
17.	Interim Order Authorizing Debtors (A) to Obtain Post-Petition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, 364(d) and 364(e), and (B) Scheduling Final Hearing Pursuant to Bankruptcy Rules 4001(b) and (c), filed June 23, 2006 [Docket No. 539]
18.	Final Order Authorizing Debtors (A) to Obtain Post-Petition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, 364(d) and 364(e), filed June 27, 2006 [Docket No. 548]
19.	Joint [Amended] Chapter 11 Plan of Liquidation by the Debtors and the Official Committee of Unsecured Creditors on Behalf of The LoveSac Corporation, et al. (Second), filed June 28, 2006 [Docket No. 552]
20.	[Amended] Disclosure Statement with Respect to Joint Plan of Liquidation by the Debtors and the Official Committee of Unsecured Creditors on Behalf of The LoveSac Corporation, et al., filed June 28, 2006 [Docket No. 553]
21.	Order Pursuant to Sections 1125, 1126 and 105 of the Bankruptcy Code, Bankruptcy Rules 2002, 3017, 3018 and 3020 and Local Rule 3017-1 (A) Approving Adequacy of Disclosure Statement, (B) Establishing Procedures for Solicitation and Tabulation of Votes to Accept or Reject the Plan, (C) Fixing the Administrative Expense Bar Date, (D) Fixing a Record Date for Distribution, and (E) Fixing Date, Time and Place for Confirmation Hearing, filed June 29, 2006 [Docket No. 557]
22.	Notice of Amendment to Asset Purchase Agreement, filed July 18, 2006 [Docket No. 619]
23.	Order Approving Sale of the Debtors' Assets Free and Clear of Liens, Claims, Encumbrances and Interests, filed July 26, 2006 [Docket No. 648]
24.	Findings of Fact and Conclusions of Law and Proposed Order Confirming Joint Plan of Liquidation by the Debtors and the Official Committee of Unsecured Creditors on Behalf of The LoveSac Corporation, et al., filed July 28, 2006 [Docket No. 658] [Signed by the Court]

	Document
25.	Second Quarterly and Final Fee Application of Getzler Henrich & Associates LLC for Compensation for Services Rendered and Reimbursement of Expenses as Financial Advisors to the Debtors for the Period January 30, 2006 through August 5, 2006, filed September 11, 2006 [Docket No. 703]
26.	Sixth Interim and Final Fee Application of The Bayard Firm for Compensation for Services Rendered and Reimbursement of Expenses as Co-Counsel to the Debtors, filed September 11, 2006 [Docket No. 705]
27.	Final Application of Capitalink, L.C. for Compensation for Services Rendered and Reimbursement of Expenses as Investment Banker to the Debtors, filed September 11, 2006 [Docket No. 706]
28.	Sixth Interim and Final Fee Application of Squire, Sanders & Dempsey L.L.P. for Compensation for Services Rendered and Reimbursement of Expenses as Counsel to the Debtors, filed September 11, 2006 [Docket No. 707]
29.	Sixth Interim and Final Application of Klehr, Harrison, Harvey, Branzburg & Ellers LLP for Compensation and for Reimbursement of Expenses as Counsel to The Official Committee of Unsecured Creditors for the Period from February 9, 2006 Through August 10, 2006, filed September 11, 2006 [Docket No. 713]
30.	Sixth Interim and Final Application of Executive Sounding Board Associates, Inc. for Compensation for Services and Reimbursements of Expenses as Financial Advisor to the Official Committee of Unsecured Creditors for The LoveSac Corporation, et al., for the Period from February 14, 2006 Through August 10, 2006, filed September 11, 2006 [Docket No. 714]
31.	Response of SAC Acquisition LLC to Request for Payment of Professional Fees and Expenses, filed October 11, 2006 [Docket No. 725]
32.	Reply of The LoveSac Liquidating Trust to the Response of SAC Acquisition LLC to Requests for Payment of Professional Fees and Expenses, filed November 13, 2006 [Docket No. 729]
33.	Order (1) Granting Fees and Expenses Requested in Final Fee Applications, and (2) Granting in Part and Denying in Part Response of SAC Acquisition LLC to Requests for Payment of Professional Fees and Expenses, filed November 30, 2006 [Docket No. 739]
34.	Notice of Appeal, filed December 8, 2006 [Docket No. 740]

	Document
35.	Transcript of Final Fee Application Hearing, November 15, 2006 before the Honorable Christopher S. Sontchi, United States Bankruptcy Court for the District of Delaware [Docket No. TBD] – Ordered on December 15, 2006

The issue to be presented on appeal is:

A. Did the Bankruptcy Court err in determining that the terms of the Plan of Liquidation and Asset Purchase Agreement require SAC Acquisition LLC to pay the amounts provided for in the Order to each of the professionals listed therein?

Respectfully submitted,

Dated: December 18, 2006

MORRIS JAMES LLP



Carl M. Kunz, III (#3201)
Rafael Xavier Zahralddin-Aravena (#4166)
Courier: 500 Delaware Avenue, Suite 1500
Wilmington, DE 19801-1494
Mail: 500 Delaware Avenue, Suite 1500
P.O. Box 2306
Wilmington, DE 19899-2306
Telephone: (302) 888-6800
Facsimile: (302) 571-1750
Email: ckunz@morrisjames.com
Email: rxza@morrisjames.com

- and -

KEATING MUETHING & KLEKAMP PLL

Robert G. Sanker
One East Fourth Street, Suite 1400
Cincinnati, OH 45202
Telephone: (513) 579-6400
Facsimile: (513) 579-6457
Email: rsanker@kmklaw.com

Attorneys for SAC Acquisition LLC